

Internal Letter



Rockwell International

Date May 30, 1989

No.

TO

(Name, Organization, Internal Address)

W. M. Shannon
Finance & Administration
Building 111

FROM

(Name, Organization, Internal Address, Phone)

D. L. Smith
Internal Audit
Rocky Flats Plans, 024-R0K
4475

SUBJECT: REVIEW OF PRECIOUS METALS INVENTORY
(PROJECT 11-89)



000025425

Special materials including precious metals and other rare materials which have a very high monetary value in relation to their volume or weight, must be physically accounted for at all times. Property Accounting is responsible for overall control and accountability for special materials and has been delegated authority to require full compliance with DOE and other Federal regulations governing acquisition, use, inventory control, and disposal of precious metals. As of March 1989, the precious metals inventory consisted of gold, silver, platinum, iridium, rhodium, gallium, palladium, osmium, ruthenium, and rhenium. The total gram weight was 1,731,092 grams with a dollar value of \$813,482.

There are presently 20 custodians of rare and precious metals. A total of eight custodians representing \$503,681 were contacted for this review. Of the eight custodians surveyed, all were in possession of appointment letters from their respective Directors, as required by RFPM MAT 16-001, Special Materials (Non-Source and Special [SS]) Accountability. The custodians and their alternates had attended indoctrination sessions and were very knowledgeable of the procedures and responsibilities involved with being a precious metals custodian.

Accessibility to precious metals has tightened significantly since the previous review. Custodians and alternates were the only individuals having combinations to safes housing precious metals. The combinations of all safes reviewed had been changed during the past twelve months. During this review there was no evidence of improper storage. All precious metals were observed to be stored in vaults or security type safes when not in use.

At the time of this review, there were approximately 458 kilograms of reclaimed silver in the Plant Central Storage Account in Building 125. Additional amounts of reclaimed silver are being accumulated and stored at other locations on plantsite. Before the silver can be shipped offsite for sale or returned to the DOE stockpile, it must be analyzed for contamination by radioactive elements and found to be within specified discard limits. These limits have not been set and a storage problem is beginning to arise due to lack of space.

ADMIN RECCRD

SW-A-002911

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The Precious Metals Control Officer estimates the silver could be sold for approximately \$95,000 or result in a credit of the same amount if returned to the DOE stockpile.

Management Action

The Manager of Environmental Management will ensure that discard limits for reclaimed silver are determined by June 16, 1989.

D. L. Smith
BHCH

D. L. Smith, Manager
Internal Audit

cc:

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R. O. Inlow	-	DOE, RFAO
M. J. Shannon	-	OIG, AL
R. J. Barclay	-	Rockwell, El Segundo
J. C. McMillen	-	" " "
W. A. Sante, II	-	Rockwell, Pittsburgh
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C. P. Bader	-	" " "
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A. S. Flewelling	-	" " "
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